AXIS MUTUAL FUND

TOO MANY SMILES DEPEND ON YOU?

THERE'S ALWAYS A SOLUTION

Jiyo zindagi

AXIS EQUITY FUND

AN OPEN-ENDED GROWTH SCHEME

DIVERSIFIED EQUITY MUTUAL FUNDS - FOR THE LONG TERM INVESTOR

There are indeed a lot of smiles depending on you. Your family has various needs and the cost of these is only going up.

Take a look at the cost of basic necessities like housing, education and health that your family expects from you.

- ✓ Tuition fees at IIM-A have increased from Rs 3,000 in 1983 to Rs 6 lacs in 2009, an increase of 200 times (22% p.a.).
  (source: www. iimahd.ernet.in)
- ✓ According to WHO, since 1995-96*, household expenditure on health has been growing at a rate of 14% p.a.
- ✓ According to National Housing Bank, house prices in most major metros have more than tripled this decade* alone, a growth of 16% p.a.

**upto 2009*

To keep the smiles going it is essential that you invest your savings in instruments that help you not just blunt inflation but provide decent returns.

Equity Mutual Funds are one such option. They tend to be a good choice for investors who don't have the time and access to equity research.

Over the last 5 years, all the 90 diversified equity funds available in India have given positive returns, with the minimum being 7% and the maximum being 28% p.a. (as at 9 February 2010; source of information & category classification: valueresearchonline.com).

Past performance may or may not be sustained in future. Returns are compounded annualised & are based on Growth Option NAVs.

WHY NOW?

Will the Indian economy continue to grow at a good rate?

Markets will rise and fall in the short term. But it is in the long term that they have the potential to deliver. So the question is "Can India deliver in the long term?"

We believe India can. For, even during the recent global financial crisis, the Indian economy continued to display strong growth.

Is this growth for real? Can we see the growth around us?

Growth is everywhere. 2-wheelers and mobile phones are two very visible examples of growth around us.

- At 7 million 2-wheeler sales annually, India is the 2nd largest two wheeler market in the world (source: SIAM, 2009) and expected to grow at an annualized rate of 8%. (source: CLSA).

- India had 427 million mobile subscribers, second only to China. Monthly mobile net additions at 12 million are the highest in the world. (source: TRAI, as at June 2009).

Industrial growth was 11.7% year-on-year in November 2009, recording the highest growth rate since October 2007. (source: ICRA).

What does the future look like?

1. **Booming economy** - India today is a USD 972 bn economy. The National Council of Applied Economic Research has projected a growth rate of 6.9% for 2009-10. Assuming similar growth over the next 5 years, we will become a USD 1.45 tn economy by 2015. This will increase our per capita income from USD 812 to USD 1,128 during the same period. Equity markets will generally reflect growth of the economy in the long term.

2. **Increasing prosperity** - Proportion of India's population below the poverty line is expected to fall from 54% (2005) to 35% (2015).

3. **Growing Middle Class** - The number of middle class households in India is expected to grow from 6.5% (2005) to 45% (2020).

(source: Bloomberg, Census of India, UNDP, McKinsey Global Institute, 2009)

PRESENTING AXIS EQUITY FUND

Axis Equity Fund is a diversified equity fund that will primarily invest in the Indian equity markets. It will invest in companies with no bias towards any sector or any market capitalisation. It thus can be a good choice for investing for the long term.

Asset Allocation

Instruments	Indicative Allocation (% of net assets)		Risk Profile
	Minimum	Maximum	
Equity and Equity related Instruments#	80	100	High
Debt and Money Market Instruments*#	0	20	Low to Medium

*#Including derivatives instruments to the extent of 100% of the Net Assets; *Investment in Securitized debt (excluding foreign securitized debt), if undertaken, would not exceed 20% of the net assets of the Scheme; Investments in foreign securities shall not exceed 40% of the net assets of the Scheme.*

Risk management strategies

We are all aware that equity investing carries certain risks. The investment process of Axis Equity Fund is designed to address these risks pro-actively.

The process tries to ensure that the companies in which we invest are of high quality and are generally bought at fair value on the basis of extensive research.

KEY FEATURES

Type of the Scheme	An open ended growth scheme
Benchmark Index	S&P CNX Nifty
Fund Manager	Chandresh Nigam, Head - Equity
Load Structure	Entry Load: Not Applicable Exit Load: 1% if redeemed / switched-out within 1 year from the date of allotment
Options	Growth & Dividend
Offer Price	NAV based price
Minimum Application Amount (for Lumpsum)	Rs 5,000 and in multiples of Re 1 thereafter
Minimum Additional Purchase Amount	Rs 100 and in multiples of Re 1 thereafter
SIP / Switch-In	Available
EasyCall Facility	Available

THE AXIS ADVANTAGE

- Active management style helps exploit large number of opportunities
- Focus on quality assets backed by strong in-house research
- Fair value based approach
- Breadth of coverage to ensure superior stock selection
- Depth of understanding which allows speedy response to events

Investment Approach

- Experienced Investment team with superior track record
- Good understanding of businesses with linkages with company managements and sell side analysts
- Capable of effectively executing the investment process

Strong Team

Our Edge

- Structured and disciplined process to ensure effective execution of strategy
- Risk management is embedded in the investment process
- Fundamentals based approach minimizes risk
- Control risk by targeting volatility and liquidity of the portfolio

Investment Process

- Wholly-owned subsidiary of Axis Bank
- Third largest private sector bank in India with a well established network of 908 branches & extension counters as on 30 September 2009
- Over 30% yoy growth in net profit in 37 out of last 38 quarters (end of September 09)
- Parent brings strong corporate linkages and understanding of industry, corporate and financial needs

Group Advantage

Statutory Details: Axis Mutual Fund has been established as a Trust under the Indian Trusts Act, 1882, sponsored by Axis Bank Ltd. (liability restricted to Rs 1 Lakh). Axis Mutual Fund Trustee Limited, a company incorporated under the Companies Act, 1956, with a limited liability is the Trustee to the Mutual Fund. Axis Asset Management Company Limited, a company incorporated under the Companies Act, 1956, with a limited liability is the Investment Manager to the Mutual Fund. **Risk Factors: All Mutual funds and securities investments are subject to market risks and there is no guarantee that the investment objective of the scheme will be achieved. The NAV of the units issued by the Mutual Fund under the scheme can go up or down depending on various factors and forces affecting securities markets. Past performance of the Sponsor or its affiliates / the AMC / the mutual fund or its schemes does not indicate the future performance of the scheme. Axis Bank Limited is not liable or responsible for any loss or shortfall resulting from the operation of any of the mutual fund schemes launched by the AMC. Mutual Fund Investments are subject to market risks. Investments in the scheme are subject to various investment risks such as trading volumes, settlement risk, liquidity risk, default risk, risk of possible loss of principal, etc. Trading volume may restrict liquidity. Equity and equity related instruments are volatile by nature. Axis Equity Fund is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects and returns. Please read the Scheme Information Document and Statement of Additional Information carefully before investing. Axis Equity Fund:** An open ended growth scheme **Investment objective:** To achieve long term capital appreciation by investing in a diversified portfolio predominantly consisting of equity and equity related securities including derivatives. However, there can be no assurance that the investment objective of the Scheme will be achieved.

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